

Message Text

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ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 AGR-20 CIAE-00 COME-00 INR-10

LAB-06 NSAE-00 RSC-01 SPC-03 STR-08 TRSE-00 CIEP-02

OMB-01 SSO-00 NSCE-00 INRE-00 SS-20 NSC-10 DRC-01

/110 W

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O 061634Z NOV 73

FM AMEMBASSY LA PAZ

TO SECSTATE WASHDC IMMEDIATE 1414

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E.O. 11652: N/A

TAGS: ETRD BL

SUBJ: COTTON CONTRACTS

1. IN CONTACTS WITH COOK AND RALLI REPS, THEY REPORT THAT SUBSECRETARY ZAMORANO ON NOVEMBER 3, AND AGAIN IN THE MORNING OF NOVEMBER 5, CONTINUED SAY HAD NOT BEEN ABLE DISCUSS COOK/RALLI PROPOSAL WITH APPROPRIATE GOB OFFICIALS BEFORE TAKING PROPOSAL TO ADEPA OFFICIALS. IN MEETING WITH ZAMORANO AT 3:30 P.M. NOVEMBER 5, HOWEVER, HE SAID ADEPA OFFICIALS ARRIVING LA PAZ NOVEMBER 6 AND NEXT MEETING WITH COOK/RALLI WOULD BE AT 10:30 A.M. NOVEMBER 7.

2. BANK OF AMERICA MANAGER LA PAZ TOLD ECONOFF IN AFTERNOON NOVEMBER 5 THAT HIS SANTA CRUZ BRANCH MANAGER, WHO HAS EXTREMELY CLOSE CONTACTS WITH COTTON GROWERS, HAD JUST TELEPHONED THAT ADEPA REPS ERWIN GASSER AND ROMERO (LOZA) COMING TO LA PAZ NOVEMBER 6 AND THAT THEY WILL SEEK MINIMUM PRICE SET BY GOB OF US\$ 0.56 PER POUND. SAID ONE ALTERNATIVE THEY HAVE IN MIND IS HAVE COTTON MADE INTO YARN IN BRAZIL AND ARGENTINA TO FACILITATE SALE TO THIRD PARTIES IN SPITE OF LEGAL AND OTHER ACTIONS TAKEN BY COOK AND RALLI TO PREVENT IT. (COOK LAWYER, VICTOR FRIEDMAN,
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SAID HE BELIEVED LATTER MOVE COULD BE EASILY DEFEATED).

3. IN CONSULTATION WITH COOK REPS AT 5:00 P.M. IT WAS DECIDED TO HAVE ECONOFF CALL ZAMORANO TO TRY OBTAIN CLEARER PICTURE OF PROSPECTS FOR WEDNESDAY (NOVEMBER 7) MEETING AND TO IMPRESS ON ZAMORANO URGENCY FOR EARLY SETTLEMENT.

4. IN CONVERSATION BETWEEN ECONOFF AND ZAMORANO EVENING NOVEMBER 5, LATTER STATED ADEPA REPS WOULD ARRIVE LA PAZ ON NOVEMBER 6 AND SAID REPORTED LACK OF LAB AIRCRAFT FOR SANTA CRUZ-LA PAZ RUN INCORRECT. SAID ADEPA REPS WOULD CONSULT WITH GOB OFFICIALS EVENING NOVEMBER 6. ZAMORANO INDICATED NOVEMBER 7 MEETING WITH COOK AND RALLI PROBABLY WOULD NOT INCLUDE ADEPA REPS.

5. ECONOFF SAID WAS BECOMING INCREASINGLY URGENT FOR BOTH SIDES TO REACH SETTLEMENT ASAP. NOTED THAT LITTLE TIME LEFT FOR PLANTING 1974 CROP, PORTION OF WHICH COOK HAD ALREADY BOUGHT AND REMNANTS 1973 CROP SUFFERING DETERIORATION WITH TIME. SAID COOK HAD ALREADY SENT TWO ITS REPS, WHO HAD BEEN BROUGHT FOR MEETINGS WITH ADEPA, BACK TO MEXICO BECAUSE GROUNDWORK FOR SUCH MEETINGS HAD NOT BEEN LAID AND REMAINING TWO REPS HAD INDICATED THEY NOT LIKELY TO REMAIN IN LA PAZ THROUGH ANOTHER WEEKEND. ADDED THAT THEY HAD COMPLAINED THAT THEY HAD BEEN IN LA PAZ EIGHT DAYS WITH VIRTUALLY NO PROGRESS AND HAD THE IMPRESSION THAT ADEPA WAS NOT READY TO DISCUSS COTTON PROBLEM ON BASIS FULFILLMENT 1973 CONTRACTS WITH FLEXIBILITY ON 1974 PURCHASES.

6. ZAMORANO SAID THERE WAS LITTLE HE COULD DO TO SPEED PROCESS. APOLOGIZED FOR PAST DELAYS AND SAID BOLIVIA UNDERDEVELOPED COUNTRY WITH ALL (TELEPHONE) LINES OCCUPIED. SAID HE FULLY REALIZED URGENCY FOR GOB, COTTON GROWERS AND BUYERS REACH EARLY SETTLEMENT, BUT INTERESTS OF BOLIVIA HAD TO BE DEFENDED. SAID NOTHING FURTHER COULD BE DONE BEFORE MEETING AT 10:30 A.M. ON NOVEMBER 7. ECONOFF SAID HE HOPED THAT MEETING WOULD BE FRUITFUL ONE AS LITTLE TIME WOULD BE LEFT AFTER THAT. ZAMORANO SAID HE SHARED THAT HOPE.

7. WE ARE CONSIDERING NOW WHAT STEPS WILL BE NECESSARY ON THE BASIS OF POSSIBLE PROGRESS OR LACK OF IT IN LIMITED OFFICIAL USE

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NOV. 7 MEETING.
STEDMAN

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Message Attributes

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